new State of Uttaranchal, the Shrinagar Hydro Electric Project (330 MW) being implemented by M/s. Duncans North Hydro Power Company Ltd., will be located in State of Uttaranchal. The project is yet to achieve financial closure and commence construction activities. During recent meetings convened in the Ministry of Power with representatives of the Government of Uttar Pradesh and Government of Uttaranchal as well as the promoters etc., it was informed that necessary changes in the power purchase agreement due to reorganization of the two States would be finalised shortly.

Counter Guarantee for Mangalore Power Project

1577. SHRI JANARDHANA POOJARY: Will the Minister of POWER be pleased to s ›te:

(a) whether Government of Karnataka has requested the Central Government to provide Counter-guarantee in respect of the Mangalore Power Project without the ESCROW clause;

(b) if so, the details thereof;

(c) the details of other such power projects being implemented in the country on the basis of the Counter-guarantee provided by the Central Government with and without ESCROW Clause;

(d) whether Government of Karnataka has proposed alternative security mechanism to remove the statements created by the Centre's insistence on ESCROW; and

(e) if so, what are the details and the reaction of Government?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) The Deepak Parekh Committee set up by the Government of Karnataka (GOK) has advised the State Government against allocation of any escrow cover to Independent Power Producers. Keeping in view recommendations of the above committee, GOK have expressed inability to provide escrow cover to the Mangalore Power Project. The request of the State Government to issue counter-guarantee without escrow has not been agreed to and they have been requested to suggest alternate payment security mechanism, if any.

---

†Original notice of the Question was received in Hindi.

(c) GOI counter-guarantee has been provided to six power projects, with escrow cover as a condition out of which the 744 MW Dabhol Project (Phase-I) of M/s. Dabhol Power Company (DPC) and 216 MW Jegurupadu project of M/s. GVK Industries Ltd. have been commissioned. The Dabhol project is presently shut down due to legal disputes between DPC and Maharashtra State Electricity Board. The 250 MW Neyveli-Zero Unit project of M/s. STCMS Electric Co. has achieved financial closure and is under construction. The counter guarantee issued to the 1082 MW Bhadrawati project of M/s. Central India Power Co. and the 1040 MW Visakhapatnam project of M/s. Hinduja National Power Corporation Ltd. has lapsed due to inability of the projects to comply with the counter guarantee conditions. Counter guarantee given to the 420 MW Ib Valley project (units 3 and 4) of M/s. AES Ib Valley has also lapsed. The project parameters have been changed with the new capacity as 500 MW (Units 5 and 6) and fresh counter guarantee has not been issued due to the State Government not being able to accept the prescribed conditions. The counter guarantees issued to the above mentioned clauses have provision for escrow cover by the respective State Government.

(d) No, Sir.

(e) Does not arise.

Pulling out of Foreign Companies from Power Sector

1578. SHRI J. CHITHARANJAN:
SHRI N.R. DASARI:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that most of the foreign companies who had planned massive investment in Indian Power Projects have pulled out;

(b) if so, which are these companies and the details of the projects they had plans to make investments; and

(c) the reasons for their withdrawal?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) As per information available with us, the details of foreign investors who have withdrawn from power projects, are mentioned below: